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Columns

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In this second issue of Columns we are pleased to host three reviews by Richard Robinson (University of Queensland), Albert Stockl (University of Applied Science – Krems) and Cristina Santini (University San Raffaele – Rome). The first volume we selected, “Social, Cultural and Economic Impacts of Wine in New Zealand”, offers a multi-disciplinary perspective and critical review of wine production and consumption in New Zealand. Robinson underlines the presence of several practitioners among this book's contributors: an added value to understand the dynamics of a producing country with an increasingly international reputation for boutique wines.

The second book, “Wine Business Case Studies: Thirteen Cases from the Real World of Wine Business Management” is a collection of real life case studies edited by Pierre Mora. Stoeckl stresses the importance of insightful cases provided by a huge number of authors covering both New World (Argentina, Chile, New Zealand and USA) and Western Europe (France, Italy, Spain and Germany).

The third volume, “American Wine Economics: an exploration of the US wine industry” has been published in 2013. The aim of James Thornton is to give a systematic understanding of the economic organisation of the wine trade in the US. Despite the geographical focus claimed by the title, Santini acknowledges that this timely book provides a good understanding of the wine industry at global level and not limited to the US.

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Howland, P.J. (Ed.), 2014. *Social, Cultural and Economic Impacts of Wine in New Zealand*. Routledge, Abingdon.

Emanating from the *Routledge Studies of Gastronomy, Food and Drink* series, edited by the prolific M.C. Hall, this is an idiosyncratic and valuable addition to that collection of six titles. As with the other books in the series *Social, Cultural and Economic Impacts of Wine in New Zealand* is quite specialised – in geographical and historical context, overall theme and multi-

disciplinary approach. While consumers have, over the last quarter of a century or so, savoured the fruity, intense and acidic freshness of the iconic New Zealand (NZ) Sauvignon Blanc, this book tells the back (and forward) story to this Antipodean phenomena, which is somewhat characteristic of an ongoing “colonisation” of the international wine market (and the Old World) by New World wine producing countries.

The book itself is divided into four parts, preceded by an introduction, and so comprising 15 chapters in all. In total there are 11 contributing authors, who represent a range of academic disciplines from management, strategy and commerce to sociology, architecture and of course geography. Several of the contributors represented have active stakes in the wine industry, as wine producers, consultants and policy advisors. These diverse interests and experiences add great depth to the book as a whole.

It is the editor himself who presents the introduction (Howland: *From “civilising” Maori to fruit-driven exuberance*), which locates the reader within the unique context of the settler economy of NZ, yet sensitively acknowledging the nation's Maori heritage and the price its people unwittingly paid for a now successful wine economy. The reader finished this first chapter with a solid overview of the development, production, consumption and marketing particulars and metrics, governance and vision of NZ's wine industry.

Part I, *Production*, is the most substantive in volume and begins, as do the other three parts, with a very useful covering page, or prologue. Its first chapter (chapter 2) is perhaps the most interesting to the non-specialist wine aficionado as it details the recent ascendancy of NZ's wine on the global stage (Overton and Murray: *Boutiques and behemoths*). Getting this one out early is analogous to the arthouse musician who plays his biggest chart hit at the beginning of a concert aiming to retain the interest of only the enthusiasts thereafter. But there is plenty to maintain the reader's interest with the subsequent chapter, by the same authors, dealing with the interplay of reality and hyperbole in the context of terroir and their formalisation into regions of origin (*Finding a place for NZ wine*). Chapter 4 returns to a perennial hot topic in the literature: *NZ wine and environmental sustainability*. Hall and Baird, using industry survey data, negotiate that fine line between desire to attain sustainability and biosecurity yet increase quality

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and yield. As a tourism workforce researcher it is pleasing to see the penultimate chapter of Part I, by Bailey, devoted to labour issues although from the unique perspective of how the wine industry has served to economically empower the seasonal workers from the Pacific's Vanuatu, who are *Working the vines*. The final offering by Lewis discursively ponders the economic “fiction” of oversupply that racked the nation at the end of the millennium's first decade (*Beyond the flawed narratives of a crisis of oversupply*) reminding the reader of constructed marketing and governance conditions which obfuscate a complex politics.

Parts II, III and IV contain three chapters each, again neatly prologued. *Promotion* (Part II) opens with another Hall and Baird offering (*Brand NZ wine*), who map the rhetoric of marketing with the reality of achieving brand missions, focusing on what seemingly was a hugely successful campaign, 100% Pure. In chapter 8, Banks explores the potential of the wine bottle label to harmonise with sense of place and place branding (*What's in a name*), in a NZ context, while Kernohan investigates another tangible element, the built environment. *Wine and architecture* (chapter 9) explores both the history and possibilities of physical structures in augmenting winery visitor experiences. *Consumption* is the theme of Part III. Hall and Baird partner with Heyworth to report trends in consumption, particularly by Gen Y, advising that marketers need to be attentive to not just evolving motivations and patterns but also the media consumption of this future market. The editor (Howland: *Wines of distinction*) returns in chapter 11 to engage the reader in a historical narrative, arguing a maturation of wine consumption from distinction towards democratisation. Wine tourism, perhaps characterised more by distinction than democratisation, is nonetheless the topic of Baird and Hall's final contribution to the text, *Between the vines*. They argue that despite declining cellar door receipts, wine tourism represents good value and promotes indirect benefits.

Finally, Part IV, *Place Studies*, presents three case studies of NZ wine regions. Baragwanath and Lewis open by dissecting the complexities of a small, young and regional wine producing region, *Waiheke Island*, just east of Auckland, and its competing identities. Howland returns in chapter 14 to focus on the renowned *Martinborough* region in the North Island's south, and pivotally to his argument proximal to Wellington. This proximity he argues, surfaces destination identity tensions between the rural “idyll” and the metropolitan “middle-class”. In the final chapter of the book, Overton, Banks and Murray team up to showcase *Waipara*, on the South Isle's Canterbury plains. They chronicle the economic reinvention of a region with wine producing aspirations and the tensions posed by both co-existing micro-environments and those between small land holders and large investors. As with many edited books the decision not to produce a concluding chapter, or epilogue at least, leaves the reader who works through the text methodically, from front to back, somewhat unconsummated.

Nonetheless, this title has many redeeming features. It is truly research and empirically driven, blending broad-based macro-analysis with in-depth case studies. The text is brought to life and supported by over 30 figures including (black and

white) photographs, and two dozen tables, testament to the research integrity of the book. While *Social, Cultural and Economic Impacts of Wine in New Zealand* treats various wine industry phenomena through a very specific historical and geographic lens the wide-ranging disciplinary and polemic perspectives mark this as an excellent resource for researchers and teachers in a range of fields from geography, economics, marketing, management, tourism, etc., but also should not be underestimated in terms of its value to practitioners and policy makers. Enjoying this book is only surpassed by indulging in a glass, or three, of New Zealand's finest...

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Mora, P. (Ed.), 2013. *Wine Business Case Studies: Thirteen Cases from the Real World of Wine Business Management*, Wine Appreciation Guild. San Francisco.

This piece of work is particularly aimed at university lecturers and students. Nevertheless it will also be of great interest to non-academics, wine industry professionals and anyone curious about recent developments in the global wine business.

Changing lifestyles and accordingly changing ways of food and drink consumption led to a significant decrease of wine drinking in the past decades in Europe¹. In the “classical” wine drinking countries, above all France Italy and Spain, the slump in demand caused a dramatic plunge in profits. Tens of thousands of mostly small family owned firms had to give up and resign. On the other hand, countries in Northern and Eastern Europe as well as markets such as the USA, Brazil and China have an augmenting wine consumption and a rising interest in wine. Bilateral, regional and global trade alliances and agreements as well as political changes (e.g. in Eastern Europe, Latin America and China) have enabled numerous wine companies and with them entire regions to prosper and discover new markets. Other regions suffer from globalisation and the new competition.

The case-study book *Wine Business Case Studies: Thirteen Cases from the Real World of Wine Business Management* introduced by Bordeaux's wine marketing guru Pierre Mora addresses a number of the utmost challenging issues of today's global wine businesses. The book therefore is a must for universities running wine business programmes or courses around the world. Apart from that, this oeuvre is also must for anyone willing to understand the world of today's wine businesses, its developments, constraints and challenges.

Of the large number of papers and books published on wine business issues and wine commercialisation in the last years *Wine Business Case Studies: Thirteen Cases from the Real World of Wine Business Management* is one of the few that

¹Stoeckl, Albert, Caseau, Cornelia, Brouard, Joelle, 2014. Traditional Wine Taverns and their hard Landing in the 21st Century – the Case of the Viennese *Heurigen*. In: Enometrics Conference, June, 2014. Isara, Lyon.

offers insight on company-level decision making. Most chapters provide insider information, well-kept secrets and sometimes even betray secrets.

The published work of 25 contributing authors includes thirteen case studies of diverse businesses. Cases deal with companies, regions or issues of the New World (Argentina, Chile, New Zealand and USA) and Western Europe (France, Italy, Spain and Germany). The applied case-study format is outperforming the usual reporting on industry trends or superficial descriptions of its companies and regions. This case-study book is therefore well suited to examine real-life wine business cases in depth. The thirteen industry examples provide rich and varied explanations of trends and challenges and will thus support lecturers, practitioners and students to gain better understanding of the multi-faceted wine sector.

Each case-study starts with a description of the specific challenge to a wine-related business. After this detailed background information is provided. Subsequently a set of key decisions to be made are presented to the reader. Each case-study also highlights tools and different approaches along with options for finding solutions. Porter's Five Forces or SWOT analysis, for instance, are applied and proposed methods.

The case studies I personally rate as most important are the ones dealing with organic or biodynamic viticulture and sustainability. Apart from all the very exciting and interesting aspects in this book – including domestic markets, positioning, bankruptcy, cooperatives and costs – the fertility of our soils and a non-intoxicated environment are essential in my point of view. If we want our sons and daughters to appreciate wine and in their future in the way we do today these are the topics to be addressed. A case-study book which is primarily designed for students is the right place to raise awareness and sensitise the industry and its future managers in this regard.

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Thornton, J., 2013. *American Wine Economics: An Exploration of the U.S. Wine Industry*. University of California Press, Berkeley

The wine industry has been studied from many perspectives; with this book, James Thornton wants to explore the U.S. wine industry from an economic viewpoint. Interest of economists in the wine sector is not new: there are several associations of wine economists in the world, and there is a growing richness of publications in this field. Despite the increasing number of publications, this book has the merit to provide a comprehensive overview of the economics of wine that was lacking in the field.

The book is divided into 13 chapters (plus Introduction and conclusions), that covers a wide range of topics; it offers a clear description of how stakeholders interact in the wine industry. It must be said, that the economic approach is extremely helpful in identifying the system of relationships

between stakeholders (growers, producers, distributors, consumers) that rules the wine business.

James Thornton progressively introduces the reader to the complexity of the wine system: after having illustrated the peculiarities of the economic approach to wine, the author firstly describes wine as an economic good and then he analyses the role that wine sensory characteristics have in product understanding and in creating awareness towards a certain type of wine.

The first chapter introduces the reader to the economic approach to the study of wine: it describes the actors involved in the wine system and it provides the main information for analysing the economic behaviour of wine stakeholders. Then the attention focuses, in the second chapter on the wine product by outlining the importance of inputs and production in terms of quality outcomes and economic impact. An exhaustive overview of wine production dynamics, as well as wine distribution is provided: the entire process from the vineyard to the retailers' shelves is represented in details.

Chapter three explores the role of wine sensory characteristics and their relationships with the perceived quality of wine. The following two chapters, instead, focus on grapes and they analyse growing techniques and the structure of the grape market.

The issues of markets and distribution are described in chapters seven and eight before turning the attention to consumers and wine firms: the author analyses the wine firm (chapter nine) and its behaviour (chapter ten). It is extremely interesting the description of the different types of wine markets; the section that focuses on bulk wine provides useful insights for analysing the dynamics that are currently affecting the global wine business, where bulk wine plays a key role in international trades. The consumer's role in wine market dynamics and in shaping the demand for a good is then exploited (chapter eleven) and an entire chapter, the twelfth, is dedicated to the relationships between consumer, quality and wine price. The last chapter of the book gives space to the issue of Globalisation, that it is affecting the wine business with serious consequences for wine firms.

There is no doubt that the reading of this book provides insights for fostering a discussion around the newest topics in the field. In our view, the economic perspective is not only an inspiring exercise for gaining new knowledge that should be practiced by those who are familiar to economic principles, but it is also a tool that academicians should employ for gathering flexibility and being open-minded. This, in particular, is one of the primary goals of an academic conversation: scholars are introduced to new points of view and get issues that can implement the ongoing debate.

Professionals, by reading this book, can be supported in understanding the economic impact of their decisions and how production costs can be affected by economies or diseconomies of scale and scope. The examination of the role played by firms' internal capabilities and inputs in the achievement of quality gives a clear idea of the importance of investing in skills and knowledge. The issue of wine quality is, then, investigated under several aspects: the authors not only talk about the productive and organisational choices that can be adopted for ensuring quality control, but he also explores the

relationships between quality attributes and consumer perception and the importance of quality signals.

Without any doubt this book, that it is extremely clear, should be addressed not only to academicians, but also to professionals and students. Furthermore, it could be an effective tool for introducing new researchers to the wine business through the implementation of economic concepts that are commonly used in the literature. By reading this book, students could gather information about wine and it could be stimulated a critical reflection upon the economic concepts they have acquired during their classes with the final result of fostering the debate between theory and practice.

Although it focuses on the U.S., the book describes principles and dynamics that can be taken as examples for understanding the global wine industry in order to achieve a

better knowledge of how to compete and survive in the business. It should also be reminded the key role that the U.S. cover in the wine market: the examples provided surely help to understand the dynamics of the American market and the main characteristics of consumers.

To conclude, I agree with what Mike Veseth said about the book when he says that this volume “does a fine job of bringing together economic analysis of wine firms, wine consumers and wine markets” and it is able to talk to everyone who is interested in wine.

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